



Director of
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USSR: Economic Plan for 1983

The economic goals for 1983 announced to the Supreme Soviet yesterday by economic planning chairman Baybakov demonstrate that the original five-year plan targets are far beyond reach. []

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Industrial production is slated to grow at 3.2 percent in 1983, substantially below the average annual rate of 4.7 percent originally scheduled for 1981-85. The target for 1983 is above what was actually achieved in 1981 and 1982 and is based on unrealistic expectations for increases in efficiency and productivity. []

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Planned output of coal and natural gas are lower than needed to meet the production planned for 1985. The oil target, however, is in line with original goals for the five-year plan. []

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In the political arena, no action was taken to name a replacement for Brezhnev as head of state (formally, Chairman of the Supreme Soviet Presidium). By virtue of his position, however, General Secretary Andropov was elected a member of the largely ceremonial body. []

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Comment: Baybakov's production goals indicate continued unrealistic planning under the new leadership. The data available thus far do not include special plans for resource allocation. []

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Andropov's speech on Monday pointed to continuity with the previous regime's economic policy. His emphasis on defense and heavy industry--despite lipservice to the importance of improving consumer welfare--suggested no significant departures could be expected for now. []

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IRAN-IRAQ: Baghdad's Increasing Concern

Iraq's attack on Sunday on shipping near Bushehr is part of a new effort to refocus international attention on the dangers of the war.

//Iraqi Deputy Prime Minister Tariq Aziz, in statements to US reporters last weekend, criticized the Arab states of the Persian Gulf for not providing support commensurate to the threat to the stability of the region and complained that the US was not urging its allies to stop arms shipments to Iran. Baghdad is also concerned about its worsening financial position.

the Iraqis have informed Jordan that they cannot continue subsidies pledged at the Baghdad Summit in 1978.//

//Iran is preparing new ground attacks to retake Iranian territory still occupied by the Iraqis,

Tehran also has increased the psychological pressure on Baghdad by allowing the establishment of a government-in-exile in Iran.//

Comment: The attacks on shipping and Iraq's rare public appeals to the US and the Arab states of the Persian Gulf reflect Baghdad's increasing desperation to extricate itself from the war. Previous Iraqi attacks on merchant ships, however, largely failed to discourage shippers from calling at Iranian ports.

//Iraq's strategy appears designed to coerce its major donors into furnishing more financial assistance. Since last April, the Saudis have provided only \$100 million in financial aid.

//Baghdad's hard currency reserves could be down to about \$5 billion by the end of 1982. The war alone costs Iraq an estimated \$1 billion a month.//

In attacks along the border, the Iranians are likely to take advantage of tactical opportunities and again try to cross the border. Iranian forces now in the area lack the combat and logistic capabilities, however, to support a major invasion.

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GHANA: Coup Attempt

A junior officer yesterday claimed to be leading a coup against Head of State Rawlings and planned to install a "capitalist" government, according to the US Embassy. [redacted]

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Heavy firing of mortars and small arms was heard in the vicinity of Rawlings' headquarters during the afternoon, but Accra was quiet by nightfall. No incidents involving Americans have been reported. [redacted]

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This latest threat to the regime follows the resignation earlier this week of Chief of Defense Staff Nunoo-Mensah, the leading moderate on the six-man ruling council. He condemned the policies of the regime as being chaotic and oppressive and said Libyan arms had been brought into Ghana without his knowledge. Nunoo-Mensah, a popular military figure, was one of the few remaining government officials not from the Ewe tribe. [redacted]

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Comment: Yesterday's attempt appears to have been unsuccessful because it was poorly organized and equipped and because it lacked widespread military support. Nevertheless, Nunoo-Mensah's resignation is likely to further split the military along tribal and ideological lines and intensify coup plotting. [redacted]

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The regime probably will react strongly and could blame the US and the West. Demonstrations against US and other Western installations are likely. Rawlings may ask the Libyans for renewed support to counter Western-backed coup plotters, particularly if, as scheduled, he goes to Tripoli this week for the OAU summit. [redacted]

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ISRAEL: No-Confidence Motion

The Knesset votes today on a no-confidence motion introduced by the Labor Party. The motion is a reaction to accusations by a cabinet minister that Labor Party leaders urged the US to cut aid to Israel to bring down the government of Prime Minister Begin. The controversy stems from a recent US newspaper article in which unnamed "opposition figures" were said to be arguing for such a cut. [REDACTED]

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Comment: The government probably will defeat the motion, although the large number of coalition members traveling outside of the country adds some uncertainty. The decision by Labor Party leaders to challenge the government on this issue has angered some party members who believe it only focuses more attention on the charges. [REDACTED]

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USSR: Omission of Grain Harvest Figures

//General Secretary Andropov stated at the party plenum on Monday that the grain harvest for 1982 was "perceptibly" larger than the one in 1981 but gave no figure for either year. According to preliminary reports, speeches on the plan fulfillment for 1982 and the budget yesterday at the Supreme Soviet also did not refer to the size of the grain crop. In addition, Western press sources reported last week that the just-published Soviet statistical yearbook for 1981 omitted the figure, as did the plan fulfillment reports for 1981. A number of Soviet sources have unofficially reported the crop for last year at 158 million tons.// [REDACTED]

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Comment: Andropov's choice of words in a forum occasionally used to release such information lends support to our estimate of 165 million tons. The grain output figure had never been left out of the statistical yearbook. These omissions could represent efforts to avoid admitting another poor harvest, or they may signal a new policy of not publishing grain statistics. [REDACTED]

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USSR - WEST GERMANY: Planned Visit by Gromyko

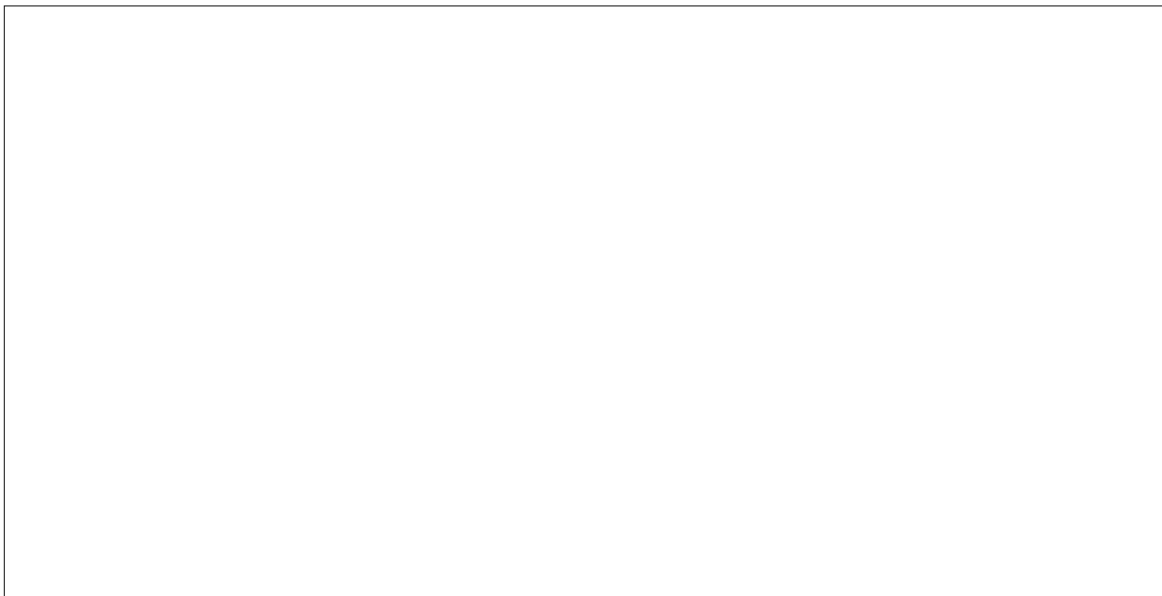
Foreign Minister Gromyko has accepted an invitation to visit West Germany extended by President Carstens and Foreign Minister Genscher while they were at Brezhnev's funeral. The Foreign Office in Bonn said on Monday that the two sides thus far have agreed that the visit will take place some time in January. Soviet Foreign Ministry officials reportedly told the West Germans last week that Gromyko wanted to make the trip before the national elections in West Germany on 6 March. [REDACTED]

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Comment: Moscow will try to use the visit to demonstrate its desire for good bilateral relations and to induce both the Christian Democrats and the opposition Social Democrats to persuade the US to moderate its position in arms control talks and to delay the deployment of the Pershing II and ground-launched cruise missiles. As was the case with Brezhnev's visit to Bonn a year ago, Gromyko also may try to undercut West European support for INF modernization by making an arms control proposal, possibly a token reduction of SS-20 missiles in the European USSR. [REDACTED]

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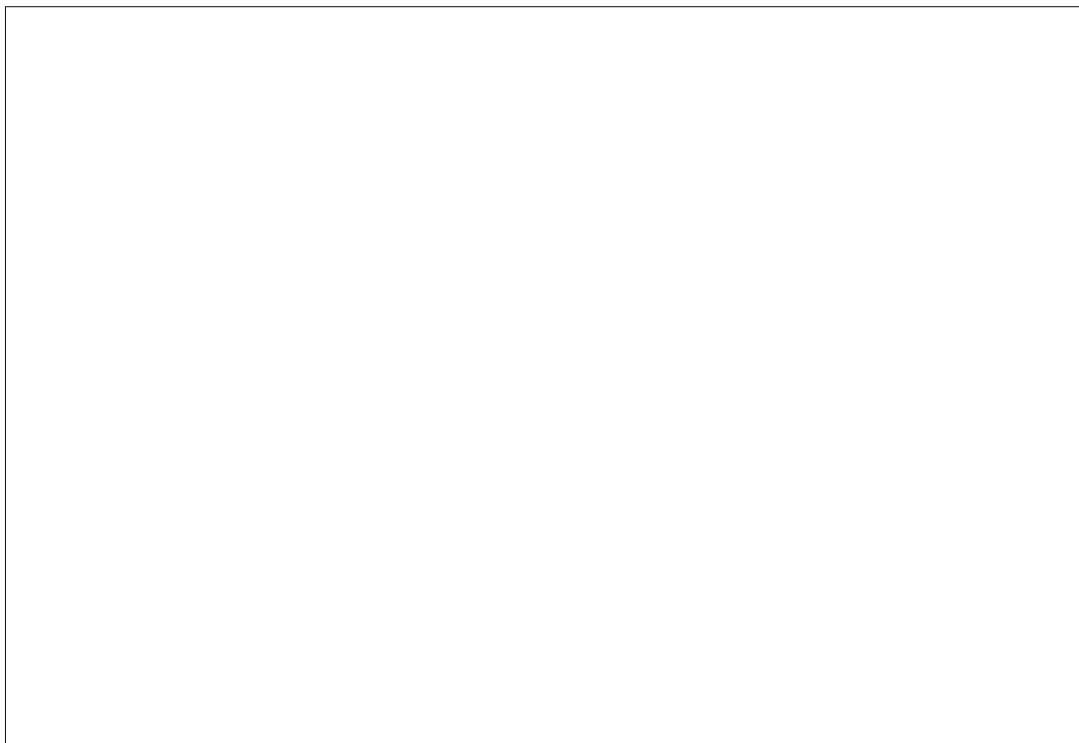
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CHINA-US: Textile Talks Stalled

The third round of Sino-US textile negotiations ended on Friday, dimming prospects for holding further talks before the bilateral agreement expires on 31 December. The Chinese hinted at a more concessionary posture before the talks, but Beijing's negotiators reiterated their demand for higher growth rates for their textile exports and refused to discuss some US proposals. The Chinese have indicated US restrictions on Chinese textiles continue to cloud bilateral ties.

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Comment: China's tough line probably is a negotiating tactic to gain more trade concessions. Chinese rigidity, however, also may stem from the general chill that has descended over the bilateral relationship and from recent high-level changes in the Ministry of Foreign Affairs. If an accord is not reached by the end of 1982, trade will fall under unilateral controls until a new agreement is negotiated.

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CARIBBEAN: Summit Results

The summit meeting of Caribbean Community leaders from 12 English-speaking nations held last week in Jamaica achieved little of substance but did restore momentum to the almost moribund organization. Grenada's Prime Minister Bishop was chided in private sessions about political prisoners and his failure to hold elections. He sidestepped these charges, however, and reportedly refused to make any commitment that would relax his left-wing regime's strong arm tactics.

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Comment: Although action on key economic issues was postponed, the summit did provide the appearances of unity valued highly by member states. The decision to assemble again in Trinidad next July indicates the leaders' realization of the urgent need to address long-deferred economic and political problems. Nevertheless, Grenada's close links to Havana and Moscow and other ideological irritants will continue to disrupt efforts to strengthen regional cooperation and security.

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ALBANIA: Key Personnel Changes

Aging party leader Hoxha earlier this week named his likely successor, Ramiz Alia, to the largely honorary post of head of state. Alia, a hardline ideologist and strong supporter of Hoxha's isolationist line, also holds seats on the Politburo and Secretariat. Another Hoxha loyalist, Prokop Murra, became Defense Minister in a major cabinet shakeup announced yesterday. Murra's predecessor was a relative of the late Premier Shehu, whom Hoxha recently denounced as a traitor.

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Comment: Hoxha's purge of Shehu's supporters appears nearly complete. With his position seemingly secure from any challenge, Hoxha evidently has the flexibility to make changes in his economic and foreign policies.

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Special Analysis

POLAND: Easing Martial Law

An end to martial law in the near future will not erode the regime's control or the military's involvement in political affairs. Premier Jaruzelski--with the support of party moderates--may try to carry out some reforms he has advocated but could continue to be thwarted by the bureaucracy and political hardliners. Solidarity is unlikely to mount any immediate, serious challenge, in part because of internal debates over strategy. The Church will continue to counsel moderation and may become more active in representing the people's interests.

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Jaruzelski appears intent on removing some of the trappings of martial law before the end of the year to show movement toward normalization. The government's confidence has grown since it faced down underground Solidarity on 10 November, released Lech Walesa, and eased many martial law restrictions.

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The regime also has taken some steps to ensure its control after martial law is ended. Recent legislation provides many legal means to thwart protests.

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The new trade union law, for example, severely restricts strikes and protests; other laws on "parasitism," alcohol abuse, and juvenile delinquency allow the government considerable latitude in punishing dissenters. Parliament will meet soon to adopt more special measures.

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The government apparently has not yet decided on modalities for ending martial law. Parliament may grant the state presidency "emergency" powers to run the country, with Jaruzelski becoming head of state while remaining party leader.

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As martial law is lifted, some military bodies will be dissolved, including the Military Council of National Salvation and most military special operational groups. Military courts may no longer have jurisdiction over civilian cases.

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For security reasons, the military will remain heavily involved in administering the country. Equally important, Jaruzelski looks to the military to assure his personal power and administrative control. Officers in government and party positions may simply don civilian garb, and many overseeing "militarized" factories probably will remain in place. [redacted]

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The nationwide hierarchy of defense committees--a mainstay of martial law--is likely to retain its key role in ensuring calm and will continue to rely on the secret police and the uniformed civilian police. The military will remain available on short notice to back up civilian forces. [redacted]

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Policy Stalemate

Jaruzelski also may try to make good on some of the economic and administrative reforms he and party moderates have advocated. He will continue, however, to face strong bureaucratic and political resistance. The political impasse might deepen as the armed forces continue to wield considerable power in the face of the expectations of many party officials that they will play a greater role. [redacted]

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The Premier could gain some credibility by showing he is willing to allow the unions more than a nominal role in representing the workers' interests. He might welcome a call by Walesa to have workers join the unions, because this would give them the appearance of legitimacy. [redacted]

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Such an attitude, however, would run into opposition from party hardliners. They would argue that such a lenient policy risks a revival of Solidarity. Party stalwarts in many factories who were opposed to Solidarity have taken the lead in setting up the new unions, even though Warsaw apparently does not want local party organizations to be so blatant. [redacted]

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Solidarity's Prospects

Despite the fears of some underground activists, Walesa seems unlikely to strike a deal with the regime. He has been cautious in his public statements but still gives the impression of wanting to push for fulfillment of the "spirit" of the agreements of August 1980 that gave rise to Solidarity. [REDACTED]

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Walesa seems inclined to wait for the lifting of martial law before seriously considering future actions. After the beginning of the year, he is likely to try to reestablish contact with the men who formed the core of Solidarity in order to discuss future strategy. [REDACTED]

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Some will argue that any form of resistance is futile in the near term. Others, probably including Walesa, might argue that the only way to keep pressure on the regime to carry out Solidarity's ideas is to try to subvert the new government-sponsored unions. Walesa would require broad agreement from other activists, however, before he would openly support such a controversial policy. [REDACTED]

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The Church's Role

Senior officials of the Church will urge Walesa to work within the new unions, believing this to be the only way to make them represent the workers' interests. Although the Church reportedly may assume financial responsibility for Walesa and his family, it probably will be cautious in associating itself in any formal way with other former union leaders. [REDACTED]

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The Church also may move to fill some of the void left by Solidarity's dissolution. Archbishop Glemp, for example, plans to have the Church advocate more openly the interests of Polish society and to establish closer ties with the workers. In addition, the Church will push the regime to make good on its promised political and economic reforms but--as in the past--will not be able to force the government to take action. [REDACTED]

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